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FACTS ON FILE

WORLD NEWS DIGEST WITH INDEX

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Week in Headlines

USSR freed 2 shot-down U.S. RB-47 fliers; Pres. Kennedy hinted at better U.S.-USSR relations.

Chimpanzee shot 155 miles up and recovered safely in U.S. test of man-in-space equipment; U.S. "spy-in-sky" Samos II satellite put into orbit.

Pres. Kennedy, in State-of-Union message, called for national unity in "hour of national peril."

Kennedy forces defeated conservatives in struggle to enlarge powerful House Rules Committee.

New El Salvador junta replaced previous junta in coup.

WORLD AFFAIRS

RB-47 Fliers Freed

USSR Returns Airmen to U.S. The 2 surviving crewmen of a U.S. Air Force RB-47 jet shot down in the Barents Sea off northern Russia July 1, 1960 were freed from prison in Moscow Jan. 25 and returned to the U.S. Jan. 27.

Their release was disclosed Jan. 25 in simultaneous announcements by the U.S. and USSR—by the U.S. in a televised statement by Pres. Kennedy.

The move to free the fliers reportedly was initiated by Soviet Premier Khrushchev. It was considered a calculated Soviet attempt to remove a major obstacle to the renewal of high-level U.S.-Soviet negotiations.

The fliers—Capt. John R. McKone, 28, of Tonganoxie, Kan. and Capt. Freeman B. Olmstead, 25, of Elmira, N.Y.—were the only 2 of the RB-47 reconnaissance jet's crew of 6 to survive when it was shot down off Svyatoi Nos Cape, on the USSR's northern Kola Peninsula, while on what the U.S. described as an electromagnetic research flight. The USSR had charged that the RB-47 had entered Soviet airspace on an aerial espionage mission to monitor its northern defenses. The U.S. denied that the plane had approached closer than 30 miles from Soviet territory and charged it had been shot down over international waters.

Pres. Kennedy and the Soviet government made it clear that neither the U.S. nor the USSR would continue to demand redress or verification of its version of the incident.

The USSR said that the Presidium of the Supreme Soviet had approved a Soviet government petition for the fliers' release and that, apparently in fulfillment of the USSR's conditions for the action, the U.S. had (1) made public a Presidential order "forbidding American aircraft to violate the airspace of the Soviet Union," (2) declared that the action "removes a serious obstacle in the path of improving Soviet-American relations."

Mr. Kennedy, who made the assurances cited, also confirmed that the fliers' release had been broached by the USSR and had been arranged in the private meeting between Khrushchev and U.S. Amb.-to-USSR Thompson Jan. 21. He said that the Thompson talks were "friendly" but refused any comment on their content.

(White House Press Secy. Pierre Salinger confirmed Jan. 25 that N.Y. Herald Tribune reporter David Wise had uncovered the story of the fliers' impending release Jan. 24 but that the paper had agreed to a White House request that it withhold publication of the news in order not to break the U.S.' agreement to a simultaneous joint announcement of the release.)

McKone and Olmstead were taken from their Moscow prison cells to the U.S. Embassy early Jan. 25 and then directly to Moscow's Sheremetyevo Airport. Their departure was delayed when a tire blew out on their plane, necessitating their return to the Embassy for 12 hours. But the 2 were en route from Moscow to Amsterdam by commercial airliner when Mr. Kennedy announced their release. The men transferred to a U.S. Air Force transport for the flight to the U.S. and again were delayed when bad weather grounded their plane at Goose Bay, Labrador.

McKone and Olmstead were welcomed on their arrival at Andrews Air Force Base, Md. Jan 27 by their wives, by high Air Force and Administration officials, and by Mr. Kennedy, who made his first use of a Presidential helicopter to come from the White House to greet them. The 2 men and their wives were the guests of Pres. and Mrs. Kennedy at the White House later that day and returned Jan. 28 to their homes at Forbes Air Force Base, Topeka, Kan. They temporarily were forbidden to grant interviews on their experiences.

Kennedy's Announcement. The U.S.' announcement that the RB-47 crewmen had been freed, read by Pres. Kennedy Jan. 25 at his first Presidential news conference, said that the U.S. was "gratified by this decision," which "removes a serious obstacle to improvement of Soviet-American relations."

Questioned as to the U.S.' past insistence that the RB-47 had been shot down over international waters and had not, as the USSR claimed, violated Soviet airspace, Mr. Kennedy said that the USSR was "fully aware" of the U.S.' views on the "distinction" to be made between the flight of the RB-47 and that of the U-2 plane shot down over the USSR May 1, 1960. He said: "Flights of American aircraft penetrating the airspace of the Soviet Union have been suspended since May 1960. I have ordered that they not be resumed."

Mr. Kennedy's statements on the RB-47 case and its relationship to the U-2 incident and the betterment of U.S.-Soviet relations generally conformed to the language used in the Soviet announcement made simultaneously by Tass. He refused to comment on Soviet motives for the action except to say that he judged the USSR "desired to remove that serious obstacle" to better relations.

The President made clear his view that there was "no relationship" between the fliers' release and the possibility of his meeting with Khrushchev. He asserted that there were "no plans at the present time" for such a meeting. Referring to reports that he and State Secy. Rusk would favor a return to traditional diplomatic methods, Mr. Kennedy said he was hopeful that "from those more traditional exchanges we can perhaps find greater common ground."

Mr. Kennedy said that during the talks leading to the release of the RB-47 fliers, the U.S. had raised the question of the 11 missing men from an Air Force C-130 shot down in Soviet Armenia in 1958 but that the USSR had maintained its position that it knew nothing of their fate. He said the U.S. had not discussed the case of Francis Gary Powers, the imprisoned U-2 pilot, because Powers' act was an "overflight" and he therefore was "in a different category than the fliers that were released."

(Commenting on a report by an East German magazine that the missing 11 C-130 crewmen had been captured by Soviet authorities after parachuting safely from the plane, Mr. Kennedy said that Russian officials had labeled the story untrue. The report, reprinted by the Soviet magazine Ogonek from the Neue Berliner Illustrierte, was retracted by Ogonek Jan. 29.)

Among statements made by Mr. Kennedy:

- The U.S. had asked for postponement of the U.S.-British-Soviet talks on a treaty to ban nuclear tests, originally scheduled to resume Feb. 7 in Geneva. The delay had been asked in order to give a new experts' panel, headed by Dr. James Fisk, "more time to prepare a clear American position." Other efforts were being pressed by John J. McCloy, his disarmament adviser, "to also get the American position clearer on general disarmament."
- He had ordered the immediate organization of an emergency airlift of food and hospital supplies to famine-stricken areas of the Congo. It was the U.S.' aim "to meet fully the emergency requirements of the Congo for rice, corn, dry milk and foodstuffs in our surplus stocks." The UN had reported that the planned U.S. program would be "adequate."
- The U.S. hoped for a solution of the current Laotian crisis that would permit the transformation of Laos into an "independent," "peaceful," and "uncommitted" country "not dominated by either side." One possible way to solve the Laos crisis was out-

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lined in the British proposal given the USSR for reconstitution of the International Control Commission for Laos created by the 1954 Geneva armistice agreement on Indochina.

African Conferences

Casablanca Summit Talks. 5 African chiefs of state and the head of the Algerian (rebel) Provisional Government met in Casablanca, Morocco Jan. 4-7 for a summit-level discussion of proposals for joint action on outstanding African problems.

The meeting produced an agreement Jan. 7 for creation of a Joint African High Command to carry out aims of an anti-colonialist Charter of Casablanca approved at the conference.

Participants in the meeting: King Mohammed V of Morocco, Pres. Gamal Abdel Nasser of the UAR, Pres. Kwame Nkrumah of Ghana, Pres. Sékou Touré of Guinea, Pres. Modibo Keita of the Mali Republic and Premier Ferhat Abbas of the Algerian Provisional Government. (Observer delegations were headed by Ceylonese Amb.-to-UAR Alwin Bernard Perera, Libyan Foreign Min. Abdel Kader el Allam and Thomas Kanza, former Congolese representative to the UN for the Lumumba government.)

Convening the conference Jan. 4, King Mohammed called for the establishment of an African executive council and consultative assembly to carry out the unification of Africa and expel colonialism from the continent. He assailed the allegedly colonialist position taken in the Congo by the UN and the Western powers and demanded the restoration of the "legal" Lumumba government.

The 5 leaders announced Jan. 5 that they had agreed to withdraw their troops from the UN Force in the Congo. Nkrumah was said to have agreed reluctantly and only on condition that the UN Command did not revise its policies to favor Lumumba. Nasser, Touré and Keita reportedly had favored placing their UN contingents at the disposal of the pro-Lumumba Oriental Province regime led by Antoine Gizenga.

The conference approved and published Jan. 6 a resolution calling for "the enlistment of African and other volunteers" to serve with the rebels in Algeria. It urged all nations to recognize and aid the rebel government and warned that the conferees would "reconsider their relations with France."

The 5 conferees ended their talks and made public Jan. 7 their Charter of Casablanca, in which they proclaimed their determination "to liberate the African territories still under foreign domination" and to "liquidate colonialism and neo-colonialism" throughout the continent. The Charter declared "nonalignment" to be the only genuine African foreign policy and pledged to rid the continent of foreign military bases and political and economic "interventions and pressures." The 5 announced plans for a NATO-type organization to have an African Consultative Assembly and Joint African High Command to carry out the Casablanca Charter.

Other final statements (a) denounced Israel as an "instrument of imperialism" in the Middle East and Africa; (b) reiterated demands for restoration of the Lumumba regime in the Congo, (c) repeated the call for military support of the Algerian rebels.

Afro-Asian Council. An emergency meeting of the nongovernmental Afro-Asian Solidarity Council, held in Cairo Jan. 21-22, called on the UAR, Guinea, Indonesia and Morocco to make their UN Congo Force contingents available to the pro-Lumumba regime in Oriental Province. The Council appealed to all Afro-Asian governments to recruit volunteers and donate supplies for the pro-Lumumba forces. It created a 13-nation committee (including the USSR, Red China, Ghana, Guinea and the UAR) to coordinate the military aid program. [See Vol. XX, p. 355C3]

Congo

Lumumba Shifted to Katanga. The transfer of ex-Premier Lumumba from a military prison in Thysville, near Léopoldville, to a prison in Jadotville, in Katanga Province, was announced Jan. 18 by the central Congolese and Katanga governments.

Lumumba's transfer to Katanga was said to have been ordered because the Thysville prison did not provide "sufficient guarantees." It was regarded as an admission of the Congolese government's fears that Lumumba might be restored to power by his followers.

Lumumba, ex-Youth Min. Maurice Mpolo and Senate Vice Pres. Joseph Okito were taken from the Thysville prison, flown to Elisabethville and driven to Jadotville Jan. 17. UN Force troops who witnessed the transfer reported that Lumumba and the 2 others were beaten repeatedly and that UN troops had been ordered not to intervene. The UN Command said Jan. 19 that Lumumba's imprisonment and transfer was an internal Congolese matter, but it disclosed that the UN had appealed to Katanga Pres. Tshombe to put Lumumba under Red Cross protection.

Secy. Gen. Hammarskjöld disclosed Jan. 24 that he had urged Pres. Kasavubu to return Lumumba to Léopoldville to participate in planned Congo political talks. Hammarskjöld made public 5 notes in which he advised that Kasavubu "have Lumumba returned from Katanga and . . . unless released he be given the opportunity to answer the charges against him in a fair and public hearing by an impartial tribunal." Referring to the political talks, Hammarskjöld said Lumumba "commands a position in wide sections of the public which would make any solution arrived at without . . . him unstable."

A Soviet government statement circulated at the UN Jan. 19 charged that Lumumba's transfer was a "challenge" to the UN by the "unlawful" government of Kasavubu and Col. Mobutu. A Mali request presented to the 18-nation UN Advisory Committee on the Congo Jan. 20 asked resumed UN debate on the crisis caused by the transfer of Lumumba. A Yugoslav note to Hammarskjöld demanded Jan. 22 that the UN take Lumumba and other Congolese political prisoners under its "direct protection."

Hammarskjöld's Congo Conciliation Commission left Katanga Jan. 23 after Tshombe rejected its request for a meeting with Lumumba.

Pres. Justin Bomboko of the College of High Commissioners named in 1960 by Mobutu told reporters Jan. 21 that Lumumba was being held in Buluo Penitentiary, outside Jadotville. He said that Lumumba would be tried by a legal court when a current reorganization of the Congo's judiciary was completed.

Retaliation Reported. UN headquarters in Léopoldville Jan. 20 confirmed reports that pro-Lumumba forces controlling Oriental and Kivu Provinces had arrested and beaten Europeans and attacked Congolese backers of the central government in retaliation for Lumumba's transfer to Katanga.

12 Belgians arrested in Stanleyville Jan. 20—9 men and 3 women—were released the next day only after payment of a $10,000 ransom to officials of Antoine Gizenga's Oriental Province regime. Stanleyville officials were said to have seized more whites Jan. 21 for ransom.

Warnings were transmitted to pro-Lumumba groups in Oriental and Kivu Provinces Jan. 21 by Rajeshwar Dayal that the UN Force would not tolerate the arbitrary arrests of Europeans. Dayal announced Jan. 23 that UN troops would defend those in danger.

Maj. Gilbert Pongo, Mobutu's security chief, who had been captured by pro-Lumumba forces in Kivu Province and imprisoned in Stanleyville, appealed in an interview released by the UN Jan. 25 for the release of Lumumba. Pongo was said to have warned that the Oriental Province regime had threatened to kill 300 political prisoners if Lumumba were harmed. (Pongo's death from torture had been reported from Léopoldville Jan. 22.)

The U.S. State Department reported Jan. 26 that at least 30 American missionaries were believed to be under detention by the Lumumba forces and that others had fled Oriental, Kivu and Kasai Provinces. The U.S. Jan. 27 advised all missionaries to leave threatened areas of the Congo.

The UN Command asserted Jan. 26 that it would help transport all whites wanting to leave endangered districts. UN envoys delivered a note to Kivu authorities Jan. 28 from the U.S. and 5 other countries asking safe passage for 400 whites said to have been terrorized in remote areas.

Kasavubu to Seek Troops. In a letter written to Secy. Gen. Hammarskjöld Jan. 28 and made public at the UN Jan. 30, Pres. Kasavubu warned that his government would seek foreign military aid unless the

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UN Force were ordered to suppress the pro-Lumumba revolt.

Declaring that the "terror, devastation and death" caused by the Lumumba forces were beyond the point at which his government could restore order without outside help, Kasavubu said: "It is of great importance that the government should receive this aid within the framework of the United Nations, for otherwise it will be compelled to seek such assistance outside . . . despite the manifest danger" of internationalizating the conflict.

Kasavubu demanded that Hammarskjöld order the UN Force to put down the revolt, "if necessary by force," and to put "the legal authorities in power again." He said that since the UN Force "was sent to the Congo . . . to maintain peace and security, it is not interference in the internal policy of the Congo if it helps the legal government to restore order. . . ."

A statement issued Jan. 21 by Kasavubu's government had denounced the UN Force for what it said was its failure to protect Congolese and Europeans in Oriental and Kivu Provinces and its refusal to give aid in the battle against the advancing Lumumba forces. In a note delivered to Hammarskjöld Jan. 26, Kasavubu demanded the recall of Rajeshwar Dayal for his alleged failure to cooperate with the central Congolese government. Dayal repeatedly had been accused by Kasavubu's officials of pro-Lumumba favoritism.

Kasavubu promoted Col. Mobutu to the rank of major general Jan. 23 and formally named him commander-in-chief of Congolese armed forces. He coupled Mobutu's promotions to an appeal for restoration of discipline in the army and for loyalty to the new commander.

UN Council Action Pledged. Hammarskjöld informed Kasavubu Jan. 30 that his protest would be brought before the Security Council but that the UN Force mandate did not allow it to intervene in the Congo political struggle. Hammarskjöld said that "the constitutional problems raised in your letter remain subject to considerable international discussion and have not been resolved" by any UN action.

A new Security Council session on the Congo crisis was summoned Jan. 28 to deal with a series of requests for debate on the power struggle between the Lumumba and Kasavubu-Mobutu factions. Prominent among these were: (a) a request Jan. 24 by Kasavubu for Council inquiry into what he charged was the UAR's supply of military aid to the Lumumba forces; (b) a request presented Jan. 27 by 7 nations believed to favor Lumumba (Ceylon, Guinea, Mali, Ghana, Morocco, the UAR & Yugoslavia) for debate on the crisis and detention of Lumuba. A Soviet complaint filed Jan. 30 charged Belgium with complicity in the bombing of towns controlled by the "legal" Lumumba forces and with recruiting a "foreign legion" to fight against them.

UN Force Breakup Feared. A warning that the recall of troop contingents contributed to the UN Force might make it necessary to end the UN's Congo operations was laid before the Security Council Jan. 26 by Secy. Gen. Hammarskjöld.

Hammarskjöld reported that Yugoslavia and Guinea had ordered their UN contingents withdrawn and that 3 more nations—the UAR, Indonesia and Morocco—had informed him of their "definite decisions" to recall their troops.

The report warned that the 5 countries' troop withdrawals would cause "a serious weakening of the force." It declared that any further reduction of the force might "make it impossible for it to function effectively and would thus make necessary a proposal for the liquidation of the force and . . . the entire United Nations operation in the Congo." It said this would mean "civil war degenerating into uninhibited tribal conflict and the complete disintegration of the remaining . . . national unity."

Lt. Gen. Sean McKeon, UN Force commander-in-chief, told newsmen in Léopoldville Jan. 28 that a fullscale Congo civil war was "still avoidable" but that any further reduction of the force would make it "very difficult to prevent any clash." McKeon, whose promotion from major general had been announced by Ireland Jan. 2, said that it might become necessary "to remove temporarily United Nations troops from areas of clashes."

A formal request for withdrawal of the 497-man UAR contingent was received by the UN Jan. 23. The UAR troops were airlifted from the Congo Jan. 31. It was announced simultaneously that Morocco's 3,132-man unit had been removed from UN control and was to assemble for transport home. 1,149 Indonesian and 738 Guinean soldiers were awaiting transportation, and Ireland's contingent had been reduced from 1,397 men to one battalion of 655.

(UN headquarters dispatches reported Jan. 24 that several Asian and African nations had been asked to supply troops to make up for the withdrawals. [See Vol. XX, p. 354B3]

Lumumba Forces Advance. Troops commanded by the Gizenga regime in Oriental and Kivu Provinces and by other groups backing Lumumba were reported by Jan. 29 to be consolidating their position in northern Katanga and to be marching on northern Equator and Kasai Provinces.

Forces backing the Kasavubu-Mobutu regime were reported, however, to have counterattacked with an invasion of Oriental Province in the Basoko and Buta areas. Heavy fighting was reported between the invaders and Oriental Province forces in the district, on the Congo River 150 miles northwest of Stanleyville.

Pro-Lumumba forces were said to be advancing against government troops in the Bumba and Lisala areas of Equator Province. The rebels sought to occupy towns evacuated by UAR UN Force units as they withdrew to leave the Congo. Government troops were said to have killed 65 rebels in the Bumba area.

(The Congo fighting generally was taking place along the arc of the Congo River, with government and Katanga troops holding most of the Congo west and south of the river, pro-Lumumba forces holding most of the area north and east of the river.)

Léopoldville dispatches reported Jan 22 that 6 truckloads of arms destined for the pro-Lumumba forces had been spotted in Aru, a town inside Sudan near the Congo border. UN troops were sent to the area to seal the border. Other evidence was cited that the rebels were receiving arms and advisers from the UAR via a clandestine airlift of Soviet Ilyushin-14 transport planes.

SPACE

Chimp Tests Space Craft. A 37½-pound trained chimpanzee named Ham was rocketed at a speed of 5,000 mph. to a height of 155 miles Jan. 31 in a U.S. test of a Project Mercury rocket and space capsule. A Marine helicopter fished the capsule and apparently unharmed chimpanzee out of the Atlantic 420 miles from the Cape Canaveral, Fla. launching point some 3½ hours after the 11:55 a.m. launching.

The 2,400-pound capsule was sent aloft in the nose of an 83-foot-long Redstone rocket. Due to a regulator inaccuracy, it went 40 miles higher, 800 mph. faster and 130 miles further than scheduled.

The rocket flight took about 18 minutes. Cameroons-born Ham, a 3-foot pre-adolescent (3 years and 8 months old) male, rode strapped down in a couch with his arms free to enable him to push levers when signaled to do so by colored lights. He had been trained to obey the signals to avoid electric shocks. He apparently functioned effectively through 5 minutes of weightlessness and when subjected to a pull 12 times that of gravity as the capsule slowed down on reentering the atmosphere. His actions during the final minute of the flight were not reported because of a radio failure. It was believed that Ham was the biggest animal sent into space so far.

The rocket and capsule were identical to those the National Aeronautics & Space Administration planned to use in similar tests with human astronauts. 6 of the 7 astronauts being trained for these tests were present to help in or observe the experiment with the chimpanzee. [See Vol. XX, p. 455E2-A3]

Man-in-Space Cost Doubled. Scientists directing the Mercury program estimated at the NASA's Langley Research Center near Hampton, Va. Jan. 11 that more than $400 million would have to be spent on the project before the first U.S. astronaut would go into orbit. The original estimate had been about half as high. [See p. 13F3]

Samos II in Orbit. An experimental reconnaissance satellite dubbed Samos II was launched by Air Force missile men from the Navy's Point Arguello, Calif. rocket base at 12:23 p.m. Jan. 31. Aimed southward, it went into a polar orbit with an apogee (maximum altitude) of 350 miles and perigee (minimum altitude) of 300 miles. Its

orbital period was 95 minutes.

Samos II was the 22-foot 2d stage of a 99-foot Atlas-Agena rocket. It was 5 feet in diameter and weighed a total of 4,100 pounds; its instrument package weighed about 300-400 pounds. Samos II was the first in the Samos series to achieve an orbit; the launching of Samos I in Oct. 1960 had failed. [See Vol. XX, p. 468E1]

It was reported that Samos satellites were to be equipped to photograph any point on earth with as much detail as the human eye could perceive at 100 feet. The U.S. planned to have a network of operational Samos satellites (Samos II being only an experimental one) in orbit within 2 years to replace the U-2 reconnaissance planes.

Samos II also was equipped to measure cosmic rays, micrometeorites and the earth's electrical field.

French 5-Year Plan. A program said to call for the launching of more than 200 space rockets in 5 years—20 of them in 1961—was approved by France's new Commission for Spatial & Scientific Research Jan. 28.

The plan provided for the building of a major center on the French Kerguelen Islands (Southern Indian Ocean) from which many of the rockets were to be fired. The French scientists planned to use solid-fueled Veronique rockets to collect data on the effects of high altitude explosions, ionization caused by shock waves and techniques by which rockets could reenter the atmosphere.

Georges Blamont of the French commission had gone to Washington in Dec. 1960 for several weeks of discussions with NASA representatives on a French proposal for a joint U.S.-French space project. The French sought to have the U.S. either launch a French-built scientific satellite or include French instruments in a U.S. satellite. The U.S. had planned joint projects with Britain, Canada, Italy and Japan and was negotiating informally on a U.S.-Australian project. [See Vol. XIX, p. 163B1; XVIII, 105F2]

Italian Launching. The first launching in the U.S.-Italian program took place Jan. 12 when a 2-stage Italian-made rocket was fired from Sardinia in the Mediterranean to a height of 105 miles. The rocket was blown up by radio signal at this altitude to release a sodium cloud, which rose an additional 55 miles and was observed by 7 Italian ground stations to study the upper layers of the atmosphere.

The U.S.-Italian project called for the use of entirely Italian-made rockets for launchings to altitudes of up to 150 miles and use of rockets employing some U.S. components for altitudes of 150-500 miles.

Japan Plans Satellite. Officials of Japan's Science & Technology Agency disclosed Jan. 14 that Japan's space program called for the launching of a small operational satellite by 1963. The satellite was to be carried into orbit by a U.S. 4-stage Scout rocket fired from Wallops Island, Va. [See Vol. XX, pp. 467G3-468A1]

NATIONAL AFFAIRS

State of the Union

Peril & Opportunity. Pres. Kennedy delivered his State-of-the-Union message in person to a joint session of Congress Jan. 30 in what he termed "an hour of national peril" and opportunity. In his speech, which was televised nationally, the President called on Congress and the nation to join his Administration in meeting this challenge. He said that before his term ended, the U.S. would "have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain."

Asserting that "to state the facts frankly is not to despair the future nor indict the past," the President declared that "a host" of domestic problems, primarily the state of the economy, faced the U.S. But these paled, he said, "when placed beside those which confront us around the world." "The harsh enormities of the [international] trials" facing the U.S. "staggered" him and made it clear that "the tide of events has been running out and time has not been our friend," Mr. Kennedy said.

The President proposed a "limited" program, to be detailed later, for meeting "all dangers free from panic or fear."

Among highlights of the message:

Economy—"The American economy is in trouble" "in the wake" of 7 months of "recession," 3½ years of "slack," 7 years of "diminished economic growth" and 9 years of falling farm income. "Our recovery from the 1958 recession" "was anemic and incomplete." Farm income, economic growth rate, business investment, profits, construction, automobile sales and employment had declined. Bankruptcies, unemployment and prices had risen.

"I will propose to the Congress" within the next 14 days measures to improve unemployment compensation, provide more food for the families of the unemployed, redevelop areas of chronic labor surplus, expand U.S. employment services, stimulate housing and construction, raise and expand the minimum wage, offer tax incentives for plant investment, increase natural resources development. [See pp. 25C-E3, 15E3-16E1]

Balance of payments—The U.S.' deficit in its international balance of payments "was caused in large part" by "failure of our exports to penetrate foreign markets" and by a 1960 increase in private capital outflow. This was "cause for concern" but not for "panic" because (a) the U.S. had some $22 billion in total gold stocks and other international monetary reserves, (b) the total owed the U.S. "far exceeds the claim upon our reserves," (c) U.S. exports substantially exceeded imports.

The "key" to the problem was to stimulate new plants and technology to make U.S. goods more competitive. "Executive orders, legislative remedies . . . will get under way immediately" to: attract foreign investment and travel in the U.S.; promote exports; plug tax and customs loopholes; share "with our allies" common defense and aid efforts. "Ways will be found to ease our dollar outlays abroad without placing the full burden on the families of men" serving overseas. [See Vol. XX, p. 419F-G1]

Budget & dollar—The fiscal 1961 budget was "almost certain to show a net deficit." "It is my current intention to advocate a program of expenditures which, including revenue from a stimulation of the economy, will not of and by themselves unbalance the earlier budget. However, we will do what must be done. For our national household is cluttered with unfinished and neglected tasks."

"This Administration will not distort the value of the dollar in any fashion, and this is a commitment." "Our efforts abroad" will be to make certain that "the dollar is as 'sound as a dollar.' "

"We shall not take any action — to increase the dollar price of gold from $35 an ounce—to impose exchange controls—to reduce our anti-recession efforts—to fall back on restrictive trade policies—or to weaken our commitments around the world." [See pp. 15E3-16E1]

Domestic problems—"Our cities are being engulfed in squalor."

Classrooms had 2 million more children than could be accommodated properly, "taught by 90,000 teachers not properly qualified." ⅓ of promising high school graduates were financially unable to continue the development of their talents." Colleges lacked the scientists, engineers and teachers "our world obligations require."

"We have neglected oceanography, saline water conversion" and basic research. There was a lack of hospital beds, nursing homes, doctors and dentists. "Too many people," particularly among the aged, lacked income for medical needs. "Our supply of clean water is dwindling." "Denial of constitutional rights to some . . . Americans on account of race . . . disturbs the national conscience." "Morality in private business has not been sufficiently spurred by morality in public business." "A new housing program under a new housing and urban affairs department will be needed this year."

"Measures to provide health care for the aged under Social Security . . . must be undertaken this year." [See p. 16F1-B2]

Foreign problems—"Our greatest challenge is still the world that lies beyond the 'cold war'—but the first great obstacle is still our relations with the Soviet Union and Communist China. We must never be lulled into believing that either power has yielded its ambitions for world domination. . . ."

"Each day the crises multiply" in Asia, Africa and Latin America.

"In Europe our alliances are unfilled and in some disarray. The unity of NATO has been weakened by economic rivalry and partially eroded by national interest."

"We must reexamine and revise our whole arsenal of tools."

Defense—"In the past, lack of a consistent, coherent military strategy, the absence of basic assumptions about our national requirements and

the faulty estimate and duplication arising from inter-service rivalries have all made it difficult to assess accurately . . . our defenses. . . . I have, therefore, instructed the Secretary of Defense to reappraise our entire defense strategy. . . ."

"I have directed prompt action" to: (a) increase our airlift capacity to "better assure the ability of our conventional forces to respond" to any problem anywhere "at any moment's notice"; (b) "step up our Polaris submarine program" with "unobligated ship-building funds" to be able to "place [Polaris subs] on station" at least 9 months earlier than planned; (c) accelerate the missile program through "improved organization and decision-making" until the defense reappraisal was made. [See p. 24B1]

Foreign aid—To meet the "towering" problems of building "a sound and expanding economy for the entire non-Communist world, authority was needed to establish a new and more effective program for assisting the economic, educational and social development of other countries. . . ." Such a program required more flexibility for short-run emergencies, more commitment to long-term development, new attention to education at all levels and "greater emphasis on the recipient nation's role. . . ."

"I hope the Senate will take early action approving the convention establishing the Organization for Economic Cooperation and Development."

Latin America—"We have pledged a new alliance for progress. . . ."

Recommendations: (a) Congress should appropriate the $500 million fund pledged by the Act of Bogota; (b) a new inter-departmental task force should be created in the State Department to coordinate policies and programs; (c) the OAS should be strengthened "to prevent foreign domination anywhere in the hemisphere"; (d) "a new hemisphere attack on illiteracy" should be launched; (e) a food-for-peace mission should be sent to Latin America. [See pp. 25G3-B1, 24A1]

Peace corps—Dedicated men and women "in every age group" could be mobilized "through the formation of a national peace corps" "to help foreign lands meet their urgent needs for trained personnel." [See p. 7D-G1]

European satellites — "We must never forget our hopes for the ultimate freedom and welfare of the Eastern European people." The Mutual Defense Assistance Control Act should be amended to give the President "increased discretion to use economic tools."

Disarmament — Steps had been taken "to make arms control a central goal of our national policy under my direction." "We must make certain that our negotiators are better informed and better prepared. . . ."

United Nations—The UN should be supported "as an instrument to end the 'cold war' instead of an arena in which to fight it." "I would address a special plea to the smaller nations . . . to join with us in strengthening" the UN. "We shall work to see that the integrity of the office of the Secretary General is maintained." [See p. 24A1]

Soviet Union—The Communist nations must be convinced "that aggression and subversion will not be profitable routes." But "open and peaceful competition — for prestige, for markets, for scientific achievement, even for men's minds—is something else again. For if freedom and communism were to compete . . . in a world at peace, I would look to the future with . . . confidence."

"It is one of the ironies of time that the techniques of a harsh and repressive system should be able to instill discipline and ardor in its servants—while the blessings of liberty have too often stood for privilege, materialism and a life of ease. But I have a different view of liberty." "There will be further setbacks before the tide is turned. But turn it we must."

Space—All nations, including the Soviet Union, were invited "to join with us in developing" a weather prediction program, a new communications satellite program and space probes toward Mars and Venus. These endeavors should be removed "from the bitter and wasteful competition of the 'cold war.'"

Public servants—"Their capacity to act . . . has too often been muffled in the morass of committees, timidities and fictitious theories. . . . We mean to make a change. . . . A man's rank and reputation in this Administration will be determined by the size of the job he does. . . ." [See pp. 11B1-15C1]

Other Presidential News

Press Conference Televised. Pres. Kennedy held his first Presidential news conference 6:00-6:38 p.m. Jan. 25 in the auditorium of the New State Department Building. It was the first regular Presidential news conference to be televised "live." 31 questions were raised from among the 418 reporters attending. (The greatest number of reporters to attend one of ex-Pres. Eisenhower's regular news conferences, held in the Old State Department Building's Indian Treaty Room, was 311.) [See p. 26C-E3]

Among Mr. Kennedy's remarks at the press conference:

Latin America—"We are not considering . . . [resuming diplomatic relations with Cuba] at the present time." "If American interests may be damaged by . . . revolutions [or other Latin American movements aimed at improving living standards], . . . [it is] a matter that should be negotiated." ". . . Imposing an ideology which is alien to this hemisphere . . . is a matter of concern [to the U.S.] . . . ." "We have to provide in this hemisphere a better life for the people. . . ." [See p. 24A1]

Value of dollar—"The dollar must be protected . . . . The dollar can be protected at its present value . . . . Exchange controls are not essential. . . . It will be the subject of a message to the Congress."

Elections—"We perhaps could get some improvement . . . in providing that the [Presidential] electors would be bound by the results of the state elections." "I'm hopeful that the Congress would consider the suggestions . . . of having the national government participate in the financing of national campaigns. . . ."

Food-for-Peace Program. Plans for a global food-for-peace program oriented to the U.S.' foreign policy were presented to Pres. Kennedy Jan. 24 by a task force headed by Murray D. Lincoln, president of CARE.

The report recommended raising the current $1.1 billion authorization for the program to $2 billion and doubling the current $1.5 billion authorization for local currency export sales.

Other recommendations: At least $500 million worth of food should be made available annually for grants to foreign countries to meet famines or disasters; surplus food should be transferred under long-term loans repayable in dollars at low interest rates for periods up to 20 years; surplus food should be given to underdeveloped countries to pay for labor for public works projects; overseas school lunch programs should be extended; operations of charitable voluntary agencies should be expanded; national food reserves in food-short countries should be started; a food distribution agency under the UN for "difficult" areas like the Congo should be established. [See Vol. XX, p. 376A3]

Space Report. A thorough reassessment of U.S. objectives "in the space effort" was proposed in a report to Mr. Kennedy released Jan. 11. The report, produced by a task force headed by Dr. Jerome Bert Wiesner, 45, of MIT, said the U.S. space program was seriously limited because of the "inability of our rockets to lift large payloads into space" and because of serious "organizational and management deficiencies." It added, however, that the U.S. held "a position of leadership" with a space-science program that appeared "to be basically sound."

Among the report's criticisms: (a) The ballistic missile program was "lagging"; (b) independent space programs of the separate military services had overlapped and duplicated work by the National Aeronautics & Space Administration (NASA); (c) emphasis on the Mercury program had exaggerated "the value of that aspect of space activity where we are less likely" to succeed because it was "very unlikely that we shall be first in placing a man into orbit. . . ."

Among the report's recommendations: (1) "A research program in advanced instrumentation" should be initiated "immediately"; (2) agencies should be established for a coordinated military space program and for an industry-government civilian space program; (3) the Space Council should manage the space program and settle conflicts of interest between the NASA and Defense Department; (4) the NASA should be provided with technical directors for propulsion and vehicles and for scientific, nonmilitary and aerodynamic programs.

The report advocated developing a national booster program to make "a very large single engine" "as fast as possible. . . ." It said: "The present Mercury program, based on the Atlas, is marginal"; "it may be necessary to push alternatives vigorously"; the U.S. needed an alternate to the Centaur rocket; "it would be dangerous to rely on Saturn alone for the solu-

tion to our problems. . . ." [See Vol. XX, pp. 455B2-456C2]

Foreign Student Plan. A proposal to improve the U.S.' cultural exchange program was presented to Mr. Kennedy Jan. 10 by a task force headed by University of Michigan Prof. James M. Davis. It recommended aid to foreign educational institutions through use of some of the $5 billion worth of foreign currency accumulated by sales of farm surpluses.

Other recommendations: the U.S. should reimburse educational institutions for the full cost of educating foreign students; grants should be given to superior foreign students for emergency aid; matching grants should be given to local organizations for expenses of entertaining "short-term" visitors.

The report said 90% of the 50,000 foreign students currently in the U.S. were not sponsored by the U.S. [See Vol. XX, p. 486C-D3]

(A UN survey released Jan. 28 revealed that only 1.5% of the 3,236,000 students in U.S. higher education institutions were foreign but that the USSR had only a .5% foreign enrollment among 2,179,000 higher education students. Percentages in other countries: Tunisia 33.6%, Morocco 40%, Britain 10.7%. The survey said that the estimated 10½ million students in colleges and universities throughout the world included 200,000—or 1.9%—who were studying in countries not their own. The countries with the most students abroad were Greece with 8,143 and the U.S. with 7,609.)

NATO & UN Appointments. Pres. Kennedy announced Jan. 28 the designation of Thomas K. Finletter, 67, as the U.S.' permanent representative to the North Atlantic Treaty Organization with the rank of ambassador. Finletter, a graduate of the University of Pennsylvania and a New York investment banker, had been a special assistant to the State Secretary 1941-44, minister in charge of an ECA mission to Britain 1948-49 and Air Force Secretary 1950-53. [See Vol. XX, p. 439G1]

The President Jan. 28 designated as members of the U.S.' UN delegation: Deputy representative (new post) with ambassadorial rank—Francis T. P. Plimpton, 60, a Harvard Law School graduate who had been an RFC solicitor in 1932 and a director for many years of the Foreign Policy Association; deputy representative to the Security Council with ambassadorial rank—Amb.-to-Morocco Charles W. Yost, 53, a graduate of Princeton, a career diplomat; representative in the Social & Economics Council with ministerial rank—Philip M. Klutznick, 53, a Chicago businessman and United Jewish Appeal chairman who had been Federal Housing Commissioner 1944-46; representative in the Trusteeship Council with ministerial rank—Jonathan B. Bingham, 46, N.Y. lawyer who had served in Army Intelligence in World War II and as a deputy director of Point 4 program.

Charles P. Noyes, 49, UN staff member 1946-51, was appointed counselor to the UN delegation Jan. 28.

Subcabinet Appointments. Pres. Kennedy Jan. 25 designated James Harlan Cleveland, 43, as Assistant State Secretary for International Organizations Affairs. Cleveland, a Princeton University graduate, a Rhodes Scholar and a Syracuse University dean, had been assistant director for Europe of the U.S. Mutual Security Agency in 1952 and had served as executive editor & publisher of Reporter magazine.

Other Jan. 25 designations: William J. Crockett, 46, currently Deputy Assistant State Secretary, as Assistant State Secretary for Administration; George Crews McGhee, 48, ex-ambassador to Turkey and consultant to the National Security Council, as Assistant State Secretary for Policy Planning and department counselor [see Vol. XVIII, p. 383D1]; Carlisle Piehl Runge, 40, an ex-Assistant U.S. Attorney, as Assistant Defense Secretary; Adam Yarmolinsky, 38, Washington lawyer, as Deputy Defense Secretary and special assistant to the Secretary; Louis Falk Oberdorfer, 41, a Washington lawyer, as Assistant Attorney General in charge of the Tax Division; Kenneth E. BeLieu, 46, of Alexandria, Va. as Assistant Navy Secretary; Carl T. Rowan, 35, Negro author, University of Minnesota graduate, a Minneapolis reporter and ex-correspondent of the Baltimore Afro-American, to be Deputy Assistant State Secretary for Public Affairs.

Appointments announced Jan. 26: Madison (Wis.) Mayor Ivan A. Nestingen, 39, University of Wisconsin graduate, chairman of a Kennedy-Johnson citizens group during the Presidential campaign, as Health, Education and Welfare Undersecretary; Nicholas deB. Katzenbach, 39, University of Chicago law professor, as Assistant Attorney General.

Other Appointments. Edward R. Murrow, 52, CBS radio and television commentator, was designated by Pres. Kennedy Jan. 28 to be U.S. Information Agency director. Murrow had gained fame during World War II for broadcasts from Britain and for such postwar TV documentaries as "See it Now" and "CBS Reports." He was associated with CBS for more than 25 years (foreign news director 1937-46, a director 1955-59). He reportedly earned more than $200,000 a year. The new post paid $21,000 a year. [See Vol. XIX, p. 404C1]

Henry R. Labouisse, 56, was designated by the President Jan. 25 to be director of the International Cooperation Administration. Labouisse, a graduate of Princeton University and Harvard Law School, had served with the State Department in Paris in establishing the Marshall Plan, with the UN as director of the Arab refugee relief program and as a special adviser to Secy. Gen. Hammarskjöld on mobilizing experts for the Congo Republic and as a consultant to the World Bank. [See Vol. XX, p. 241C3]

James Edwin Webb, 54, was chosen by Pres. Kennedy Jan. 30 to head the National Aeronautics & Space Administration. Webb, a lawyer and businessman, had been Budget Bureau director 1946-49 and State Undersecretary 1949-52. He had served as president of Educational Services, Inc., a nonprofit organization for improving high school science teaching. [See Vol. XVIII p. 383D1]

The President announced Jan. 25 his designation of Arthur M. Schlesinger Jr., 43, Harvard history professor and Pulitzer Prize winner, as a Presidential special assistant and speech writer. [See Vol. XX, p. 324D3]

The President Jan. 31 also designated Charles Minor Meriweather, 49, Alabama Finance Director 1959, to be a director of the Export-Import Bank; Thomas Killefer to continue as vice chairman of the bank, and James S. Bush to continue as director.

Other designations and nominations:

Jan. 25—Carmine Bellino, 55, Elizabeth, N.J. accountant, to be Budget Bureau Director and a special consultant to the President; Conrad L. Wirth, 61, a career civil servant, to continue as National Park Service Director.

Jan. 26—John William Bush, 51, Ohio state commerce director, and William Tucker, 37, counsel and secretary of the Trailways of New England bus company, to be ICC members; John Charles Swidler, 54, a Nashville, Tenn. lawyer who had served with the Interior Department and the TVA, and Howard Morgan, 46, ex-Oregon legislator and Oregon Public Utility Commissioner 1957-59, to be Federal Power Commission members.

Jan. 28—Abram Chayes, Harvard law professor, as State Department legal adviser; Neal J. Hardy, 46, director of the nonprofit National Housing Center in Washington, to be FHA commissioner; Milton Philip Semer, 41, ex-staff member of the Brookings Institution (Washington), to be HHFA general counsel; James Barrett Cash Jr., 39, to be FHA deputy commissioner; James V. Bennett, a career civil servant, to continue as director of the Federal Bureau of Prisons.

Jan. 30—Sidney H. Woolner as administrator of the Community Facilities Administration; Max N. Edwards as Interior Department legislative counsel; Raymond G. Vendsel and Graham Holliser as special assistants to the Interior Secretary; Martin W. Oettershagen to continue as administrator of the St. Lawrence Seaway Development Corp.; Frank D. Reeves, 44, a Negro, Washington lawyer and campaign aide to Pres. Kennedy, as a Presidential special assistant.

Dr. Janet G. Travell, 59, professor of Clinical Pharmacology at Cornell University Medical College (N.Y.), was appointed White House physician Jan. 26. She was the first non-military White House physician since the Warren Harding Administration and the first woman to serve in the post.

Congress

Liberals Win on Rules Unit. Pro-Kennedy forces won a victory over conservative Representatives Jan. 31 when the House voted 217-212 to increase the membership of the House Rules Committee from 12 members to 15. The 3 new members were expected to be able to neutralize the Rules Committee's conservative Republican-Southern Democratic coalition. The change had been demanded by liberals because the committee, which cleared all legislation before its release to the floor, had consistently blocked liberal legislation from House action in the past.

195 Democrats and 22 liberal Republicans voted for the increase; 148 Republicans and 64 Democrats opposed it. The majority included 37 Southern Democrats.

An intense power struggle preceded the vote. House Speaker Sam Rayburn (D., Tex.), who proposed the membership increase, led the Kennedy forces seeking the change. Chrmn. Howard W. Smith (D., Va.), 77 Feb. 2, of the Rules Committee was the conservative leader. Rayburn made one of his rare appearances as a debater before the House Jan. 31 to tell "my beloved colleagues" that "the House, on great measures, should be allowed to work its will." Smith and House GOP leader Charles A. Halleck (Ind.) spoke against Rayburn's plan.

The vote enabled Rayburn to add 2 Democrats and one Republican to the Rules Committee and was expected to give liberal forces an 8-7 margin. Previously, there had been a 6-6 deadlock—6 Democrats against 4 Republicans and Reps. Smith and William M. Colmer (D., Miss.). Rayburn originally had planned to try to remove Colmer from the committee, but he told newsmen Jan. 11 that he had decided to seek a membership increase instead. A caucus of House Democrats approved his plan Jan. 18.

Pres. Kennedy said at his first news conference Jan. 25 that, "as an interested citizen," he "strongly believed[d] that the members of the House should have an opportunity to vote themselves on the programs which we will present." Presidential Asst. Lawrence F. O'Brien, patronage aide, was reported Jan. 30 to have made telephone calls to doubtful House Democrats to support the Rayburn plan. Rep. Alton Lennon (D., N.C.), who later voted against the Rayburn plan, said Jan. 30 that he had received a hint from the Interior Department that a scheduled water desalting plant might be shifted from his district. [See p. 6F2]

Civil Rights

Georgia Replaces Laws. 4 bills replacing Georgia's laws for "massive resistance" to public school segregation were signed by Gov. S. Ernest Vandiver in Atlanta Jan. 31.

The bills, passed by the Legislature Jan. 27 and 30, provided for: (a) re-

peal of 6 anti-integration laws; (b) grants for pupils who chose to attend private, nonsectarian schools; (c) permission for local boards to set academic, psychological and other standards governing pupil transfers (formerly a function of the State Education Board); (d) local elections on whether to close a desegregated school; (e) a constitutional amendment, to be voted on in 1962, that asserted that "freedom from compulsory association at all levels of public education shall be preserved inviolate." The amendment was to replace a constitutional requirement for "separate schools . . . for white and colored races."

Vandiver had proposed the bills in a statewide TV address before a joint session of the Georgia General Assembly Jan. 18. He said he rejected any hint "of defiance of lawful processes" and opposed school closings. "Defiance, no," he said, "private schools offered as a last resort, yes." He pledged "every legal means" to prevent desegregation. [See pp. 26G3-27G1]

—LATIN AMERICA—

Brazil

Quadros Inaugurated. Janio da Silva Quadros, 44, was inaugurated president of Brazil Jan. 31. In a nationwide radio-TV address he said he would "find solutions in a democratic way" in coping with Brazil's "terrible financial situation." Quadros said his regime had inherited from the outgoing administration a $3.802 billion foreign debt and a 108 billion-cruziero ($5.94 billion) potential budget deficit. [See Vol. XX, p. 351A3]

Cuba

6 Americans Sentenced. 6 Americans, tried Jan. 28 on charges of attempting to join anti-Castro rebels, were convicted and sentenced to 30 years in prison by a military court in La Cabana fortress in Havana Jan. 31.

The 6 Americans: Leonard Louis Schmidt, 21, of Chicago, George R. Beck, 24, of Taunton, Mass., Tommy L. Baker, 28, of Dothan, Ala., Donald Joe Green, 28, James B. Beane, 34, of Cedar Falls, N.C., and Eugene Gibson, 32, of Durham, N.C. [See p. 29B2]

Marks Arrested in U.S. Herman Frederick (the Butcher) Marks, 39, of Milwaukee, Wis., former Castro regime executioner, was arrested by U.S. Immigration Service agents in New York Jan. 25 (announced by U.S. Atty. Gen. Robert F. Kennedy Jan. 27).

Marks, who had been deprived of his U.S. citizenship in 1959 for serving in the Cuban army, was held for deportation proceedings. He was charged with entering the U.S. illegally from Mexico in July 1960. He had fled Cuba in May 1960 after complaining that the Cuban revolution was "going Communist." Marks had joined the Castro rebels in the Sierra Maestra in 1958 and had risen to the rank of captain. After Castro came to power, Marks became chief of security at La Cabana fortress, where he was in charge of executions. He reportedly had directed the shooting of 200 "war criminals" in the prison.

U.S. Pledges Refugee Aid. U.S. aid for Cuban refugees in the U.S. was promised by Health-Education-Welfare Secy. Abraham A. Ribicoff as he started a tour of the Miami area Jan. 30 to survey the needs of 60,000 Cuban exiles living there. Ribicoff said in an address to the Conference on Resettlement of Cuban Refugees that he would submit to Pres. Kennedy an aid program and other recommendations based on his survey. Mr. Kennedy had directed Ribicoff to investigate the refugee situation Jan. 27 after accepting the resignation of Tracy Voorhees, who had been in charge of Cuban refugee relief in the Eisenhower Administration. [See Vol. XX, p. 443A1]

Cane Shortage. A drive for volunteers to work as sugar cane cutters was reported Jan. 29. The purpose was to meet a government goal of producing 6 million tons of sugar from the current crop. Some sugar mills reportedly were closing weekends because of shortages of cut cane. Reason for the shortages: thousands of former cutters had joined either the militia or farm cooperatives.

Castro Jan. 22 announced a plan to establish youth farms. They were to be part of the government's "farms of the people" program, in which children 10 years old and up and adults were to be taught agricultural methods on 167-acre farms. Castro also announced that Cuba and the USSR had agreed to exchange 1,000 youths each to work on Cuban & Soviet farms. [See p. 20A2; Vol. XX, 457C2]

Iberian Plot. The N.Y. Times reported Jan. 22 that Cuban government officials and leftwing Spanish exiles in Cuba had formed a Communist Committee for a Spanish Army of Liberation (CELE) to spur underground opposition to the governments of Generalissimo Francisco Franco in Spain and Premier Antonio de Oliveira Salazar in Portugal.

The Times identified the leaders of the committee's directing board as Capt. Antonio Nuñez Jimenez, Cuban chief of agrarian reform, Santiago Carillo, secretary general of the Spanish Communist Party in exile, and Gen. Alberto Bayo, a Loyalist commander in the Spanish Civil War.

Other committee members named by the Times: Cuban guerrilla leaders Eloy Gutierrez and Menoyo Armando Fleitas; Armando Bayo, ex-Cuban chargé d'affaires in Switzerland and son of Gen. Bayo; José Luis Galbe and Herminio Alemendoros, Spanish exiles.

The Times said Carillo planned to confer in Paris with West European Communist leaders on a nationwide strike in Spain in the spring.

The Times said the committee replaced a similar but non-Communist anti-Franco group in Cuba that was dissolved in Nov. 1960. It was called the Revolutionary Directorate for the Liberation of the Iberian Peninsula. [See Vol. XX, pp. 283A2, 51A1]

Dominican Republic

Bishops Ask Trujillo Aid. It was reported Jan. 29 that the Dominican Republic's Roman Catholic bishops had petitioned Generalissimo Rafael Leonidas Trujillo Molina to help them end what they called government interference in religious affairs.

A plan submitted to Trujillo by the bishops to improve church-state relations had been published earlier in January in the newspaper El Caribe. It called for: (a) a halt in the anti-Catholic press and radio campaign; (b) rejection of proposed laws aimed at barring religious instruction in schools; (c) permission for Catholic priests to enter the country to work.

Trujillo and Pres. Joaquin Balaguer, in a joint reply, said they agreed with the bishops' views.

Trujillo Resigns as Governor. Generalissimo Trujillo resigned as Santiago Province governor Jan. 25 to become State Banks president, a post to which he had been appointed by Balaguer. [See Vol. XX, p. 462E2]

El Salvador

Coup Ousts Regime. A new junta of army officers in San Salvador overthrew the government Jan. 25. The junta said it had acted to halt the "leftist excesses" of the old 6-man military-civilian junta. The latter had taken power after ousting the government of Pres. José Maria Lémus in a bloodless coup Oct. 26, 1960. 30 "Communist and leftist leaders" were reported arrested.

Modified martial law was declared throughout the nation Jan. 25 after at least 5 persons were killed in demonstrations against the new junta. Martial law was ended Jan. 30.

The new junta Jan. 25 formed a 6-man Civil-Military Directorate to govern the country. Its members: Secy. Gen. Luis Salcedo Gallegos; Col. Anibal Portillo, ex-general staff chief; Col. Julio Adelberto Rivera, Army Command School director; Antonio Rodriguez Porth; José F. Valiente; Feliciano Avelar.

The junta Jan. 25 formed a cabinet of 2 military and 9 civilian members with Dr. Raul Gamero as foreign minister and Lieut. Col. Armando Molina as defense minister.

The junta claimed to be "anti-Communist and constitutional." It said it overthrew the former junta to prevent a clash between "Communist forces and Osoristas," followers of ex-Pres. Oscar Osorio, who had led a successful 1948 revolt against Gen. Salvador Castaneda Castro's regime. [See Vols. X, p. 325J, VIII, 406N]

Osorio, linked to Lémus' overthrow, was arrested Jan. 25 and ousted from the country Jan. 26. 2 members of the former junta, Drs. Rene Fortin Magana and Ricardo Falla Caceras, also were forced to leave the country. Another ex-junta member, Dr. Fabio Castillo, remained under house arrest in San Salvador after reportedly refusing a cabinet post in the new regime, and the 3 military members of the former junta were arrested.

(Roberto Edmundo Canessa, 48, foreign minister during the Osorio regime, died in a New Orleans hospital Jan. 27 after flying from El Salvador to the U.S. Jan. 25. On arriving on a stretcher in New Orleans, he said he had been beaten by police under Lémus, detained by the junta that had replaced Lémus and released by the new junta Jan. 25.)

The country's 6 political parties demanded Jan. 28 that the directorate dismiss its 3 civilian members. The parties that made the demand: Christian Democratic, Central American Unionist, Renovation Actionist, Authentic Constitutional, Social Democratic and Democratic Action. The Social Democratic Party, to which Osorio had belonged, had been barred by the government

from engaging in political activity. The 5 parties were to be represented on a commission to draft an electoral law. Its formation was authorized by the new government Jan. 28. [See Vol. XX, p. 443F2]

Guatemala recognized the new regime Jan. 26.

ECONOMY

Mergers & Acquisitions. The merger of United Air Lines and Capital Airlines to form the U.S.' largest airline was tentatively approved by the CAB Jan. 31 on condition that: (1) protective benefits be paid to employes displaced or transferred, (2) a limit be set, "for rate-making and accounting purposes, [on] the valuation of the assets to be acquired by United from Capital," and (3) the Mohawk and Allegheny local airlines be protected in their markets. [See Vol. XX, pp. 416C3, 291C-D1]

The Morgan Guaranty Trust Co. of N.Y. Jan. 26 announced plans to join with 6 other New York banks in forming the U.S.' largest bank holding company.

The new Morgan New York State Corp. would have total resources of $6.126 billion (compared with Firstamerica Corp.'s assets of more than $5 billion) and would include: Morgan Guaranty, Manufacturers and Traders Trust Co. (Buffalo), Lincoln Rochester Trust Co. (Rochester), National Commercial Bank and Trust Co. (Albany), First Trust and Deposit Co. (Syracuse), Oneida National Bank and Trust Co. of Central New York (Utica) and First-City National Bank of Binghamton. Morgan Guaranty Chrmn. Henry C. Alexander would become chairman of the new firm; Morgan Vice Pres. John M. Meyer Jr., president. The creation of the company, which would require approval of the N.Y. State Banking Board, the Federal Reserve Board, the Comptroller of the Currency and the banks' shareholders, would be accomplished by Morgan N.Y. State's acquisition of the 7 banks' outstanding stock in exchange for 24,150,000 shares of its stock. The new company would have 149 New York and 4 European branches and headquarters in Albany. Its bank members would retain their names and management. [See Vol. XVIII, p. 419A2]

Manufacturers Trust Co. and Hanover Bank directors Jan. 17 approved plans to merge, through a share-for-share stock exchange, into New York City's 3d largest bank and the U.S.' 4th largest. The new bank, the Manufacturers Hanover Trust Co., with total assets of $6.1 billion, deposits of almost $5½ billion and capital funds of $430 million, would be headed by Manufacturers Pres. Charles J. Stewart as board chairman and Hanover Pres. Robert E. McNeill Jr. as president.

The FRB Jan. 19 approved the merger of the California Bank (Los Angeles) and the First Western Bank (San Francisco) into the United California Bank. Firstamerica Corp., with 97% stock ownership in California Bank and 76% in First Western, would have 87% ownership in United California Bank but would be required to divest itself, within 2-6 years, of stock ownership in the 65 First Western branches which, under terms of the merger, would become a separate firm still known as First Western Bank and Trust Co. [See Vol. XX, p. 362B3]

Directors of the Baltimore and Ohio R.R. and of the Chesapeake and Ohio Ry., meeting independently in Cleveland Jan. 12, approved a merger of their lines, subject to approval by stockholders of both companies and the ICC. The combined system would be the U.S.' 2d largest line; it would have 11,033 miles of track. (B&O directors' approval was a reversal of their previous stand in favor of merger with the N.Y. Central R.R.) The merger would be accomplished by an exchange of stock. [See Vol. XX, p. 342B1]

The B. F. Goodrich Co. Jan. 17 announced its purchase of the Rayco Manufacturing Co., to be operated as a wholly-owned subsidiary. Rayco, the U.S.' largest distributor of auto shock absorbers, mufflers and seat covers, would continue management under Joseph Weiss, its founder, president and only stockholder.

OBITUARIES

(Additional obituaries are published in an Appendix to the Facts on File Cumulative Index)

Dr. Thomas Anthony Dooley 3d, 34, physician famed for medical aid to Southeast Asia since 1954; Jan. 18 in New York of cancer. After establishing 2 hospitals in Laos, Dooley joined with Dr. Peter D. Comanduras in founding Medico, Inc., a voluntary organization which, by the end of 1960, had established 17 medical projects in 12 countries, including 7 hospitals in Southeast Asia. Dooley was the author of 2 best-selling books on his experiences—"Deliver Us From Evil" in 1956 and "The Edge of Tomorrow" in 1958 (the proceeds helped support Medico). [See Vol. XIX, p. 448D1; XVIII, 200D3]

Alfred Carlton Gilbert, 76, A. C. Gilbert Co. (New Haven, Conn. toy makers) founder (1909), ex-president and board chairman (since 1956), inventor of erector set (1912), ex-Olympic athlete who held world record for pole vault (12 ft. 7¾ in. in 1908); Jan. 24 in Boston of heart ailment.

Dorothy Thompson, 66, newspaper columnist (N.Y. Herald Tribune 1936-41, Bell Syndicate since 1941), radio commentator, magazine writer, book author and lecturer who specialized in foreign affairs; Jan. 31 in Lisbon, Portugal of heart attack. A foreign correspondent for the Philadelphia Public Ledger and N.Y. Evening Post in Germany in 1920-28, she interviewed Hitler in 1931 and wrote that he was no world menace. She was the author of "I Saw Hitler" (1932), a book that caused her expulsion from Germany in 1934, and of other books, and was the divorced wife of the late author Sinclair Lewis.

MISCELLANEOUS

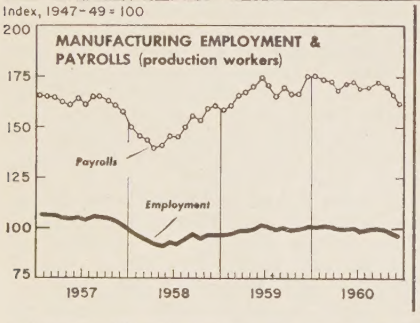
Iowa Bank Embezzlement. Mrs. Burnice Iverson Geiger, 58, assistant cashier of the Sheldon (Ia.) National Bank and daughter of its president, pleaded guilty in Sioux City, Ia. Jan. 30 to charges of embezzling $122,393.54 from the bank since Nov. 5, 1957. According to federal officials, she had admitted embezzling $2,126,850.10 in 30 to 40 years.

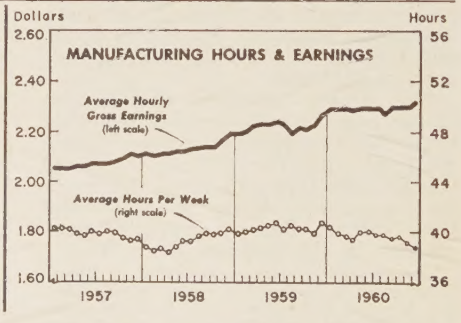
The theft was discovered Jan. 16 by a federal bank examiners audit. Mrs. Geiger was arrested Jan. 17 and immediately confessed. Bank officials closed the bank Jan. 18 and turned it over to the Federal Deposit Insurance Corp. for liquidation. The FDIC reopened the bank Jan. 26 to repay depositors.

Federal authorities, investigating a possible link between the bank theft and the Northern Biochemical Corp. of Sheldon, arrested Harold Eugene Kistner Jr., 35, Jan. 22 on charges of aiding and abetting Mrs. Geiger, a principal stockholder in the company. Kistner had been dismissed as the firm's president Jan. 20 after the company, which had its entire funds deposited in the bank, found itself in financial straits. Kistner was freed Jan. 25 after U.S. Commissioner W. M. Forker in Sioux City dismissed the charges against him.

Elliott Roosevelt, economic adviser to the firm, was named head of Biochemical at a board-of-directors meeting Jan. 23.

Jack's Successor Named. N.Y. Domestic Relations Court Justice Edward R. Dudley, 49, a Negro, was elected Manhattan Borough President by the City Council Jan. 31 to succeed Hulan E. Jack, who had been convicted of a conflict of interest. Dudley had served as U.S. Amb.-to-Liberia and as executive assistant to the Virgin Islands governor. [See p. 32F3]





LABOR STATISTICS. Manufacturing employment (production workers) in 48 states (Alaska and Hawaii excluded) declined from a 12,466,000 total in Dec. 1959 to 12,052,000 in Nov. 1960 and 11,777,000 in Dec. 1960, according to the Bureau of Labor Statistics. Using the base 1947-49=100, the factory employment index was 100.8 in Dec. 1959, 97.4 in Nov. 1960 and 95.2 in Dec. 1960. The factory weekly payroll index (1947-49=100) was 175.4 in Dec. 1959, 165.9 in Nov. 1960 and 161.9 in Dec. 1960. Average weekly hours of factory workers declined from 40.6 in Dec. 1959 to 39.2 in Nov. 1960 and 38.8 in Dec. 1960. Average hourly gross earnings of factory workers rose in the same period from $2.27 in Dec. 1959 to $2.30 in Nov. 1960 and $2.32 in Dec. 1960. The civilian labor force rose from 69,276,000 in Dec. 1959 to 71,213,000 in Nov. 1960 and 70,549,000 in Dec. 1960, according to the Census Bureau (Alaska and Hawaii included in 1960 only). Employment in the U.S. rose from 65,699,000 in Dec. 1959 to 67,182,000 in Nov. 1960 but declined to 66,009,000 in Dec. 1960. Unemployment increased from 3,577,000 in Dec. 1959 to 4,031,000 in Nov. 1960 and to 4,540,000 in Dec. 1960. Non-farm employment totaled 60,888,000 in Dec. 1959, 61,516,000 in Nov. 1960 and 61,059,000 in Dec. 1960. The Commerce Department graph at left shows the monthly fluctuation in factory employment and payrolls (based on the 1947-49 index) for the years 1957-60. The Commerce Department graph at right shows the monthly changes in average weekly hours and hourly earnings of manufacturing production workers for the same years. [See p. 26F2; Vol. XX, 458G2-B3]